

FY 2011-12 ANNUAL FORMAL BUDGET REQUESTS RECOMMENDED FOR APPROVAL

Attachment 2.2

Branch	Division	FBR Title	FBR Summary	FY 11-12		
				One-time \$	Ongoing \$	PERM PY
Administrative Budget						
Actuarial & Employer Services	ACTO	ACTO Software Update	Funding to upgrade software used in Actuarial Valuation System (AVS)	40,000	-	0.0
Actuarial & Employer Services	ACTO	AVS Handler Software Rewrite	Funding for AVS Handler upgrade, requested for compatibility of the software with Windows 7. The AVS Handler application is critical to ACTO performing valuations.	125,000	-	0.0
Actuarial & Employer Services	ACTO	Review of Economic Assumptions	Funding to conduct a review of economic assumption used in actuarial valuation reports; assumption that affects pension plan costs. The last economic assumption was conducted in 1998.	100,000	-	0.0
Actuarial & Employer Services	CERBT	CERBT Unit Staffing - Continuation of student assistant	Funding to maintain CERBT's existing budget ongoing for student funding, due to expire 6/30/11. The students are needed to support the workload due to the continued growth of the CERBT fund, and limited staffing in the program to comply with GASB requirements.	-	40,000	0.0
Actuarial & Employer Services	ERSD	Extension & Funding of 5 temporary positions	Funding requested to extend 5.0 temporary positions, due to expire 6/30/11, for positions established due to workload associated with my CalPERS. This is a continued need in the ERCC, due to the change of implementation dates for my CalPERS, for answering Business Partner questions.	280,000	-	0.0
Actuarial & Employer Services	ERSD	Membership and account adjustment -Staff augmentation	Position and funding requested due to workload increase related to new legislation. AB 1651 mandates that CalPERS retirement benefits not be impacted due to furloughs; retroactive beginning in the 2008-09 fiscal year requiring extensive workload of retirement calculations.	-	89,000	1.0
Actuarial & Employer Services	ERSD	Compensation Review Unit Staffing	Positions and funding requested due to increased workload from the City of Bell controversy and a substantial increase in retirements.	-	189,000	2.0
Administrative Services Branch	OSSD	Board member election	Funding requested for the Retired Board Member Election.	846,200	-	0.0
External Affairs Branch	PAOF	Internal Communications	Position and funding requested due to increased communication requirements with employees. Supports high-level, highly visible enterprise-wide projects and campaigns requiring prompt response and quick turnaround.	-	89,000	1.0
External Affairs Branch	PAOF	TV Specialist	Position and funding requested to establish an enterprise Web-based communication service. Provides CalPERS with webcast and webinar capabilities, to enhance customer service and support to members and employers.	59,000	89,000	1.0
Executive	CDOP	Diversity Outreach Program position	The position is critical in accomplishing CDOP's 2011-12 business plan. It will design and implement leadership culture competency and multi-generational workforce training and skills. It will also establish and launch an employee web-based diversity and inclusion training module. The division will absorb the cost in their existing budget.	-	-	1.0

FY 2011-12 ANNUAL FORMAL BUDGET REQUESTS RECOMMENDED FOR APPROVAL

Attachment 2.2

Branch	Division	FBR Title	FBR Summary	FY 11-12		
				One-time \$	Ongoing \$	PERM PY
Investment Operations	AA/RM	Risk Management Implementation	Positions and funding requested to address risk-related issues, assumptions, frameworks and strategic reassessment.	-	254,000	1.0
Investment Operations	AIM	Due Diligence and Investment Monitoring Sourcing Request	Conversion of outside consultants to permanent civil service positions. Consultants are currently assisting in multiple functions of AIM, due to the large size of the portfolio and lack of internal resources.	-	509,000	2.0
Investment Operations	GE	Global Equity - Corporate Governance Staffing	Positions and funding requested to meet workload associated with the Financial Market Reform strategic initiative. Includes rule-making efforts associated with the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as execution of the Advisory Vote process.	-	145,000	1.0
Investment Operations	GE	Global Equity - Functionalization	Positions and funding requested to complete a restructuring of the Division. The goal is to reduce process complexity, minimize operational and reputational risk, eliminate potential conflict of interest, and produce staff expertise in the areas of strategy development, skill identification, portfolio monitoring, relationship management and data management.	-	352,000	1.0
Investment Operations	GFI	Internal Alternative Fund Management	Position and funding requested to internalize the Alternative Fund. A savings of \$10.4 million would be generated, in the Investment Expense Appropriation in, by reducing external advisor and management fees.	-	145,000	1.0
Investment Operations	ILAC	Infrastructure and Forestland Programs	Positions and funding requested for transaction and portfolio management of the Infrastructure and Forestland Programs. Resources are needed to achieve investment allocation targets and strategies.	-	254,000	1.0
Investment Operations	OPTD	Investment Data Management	Positions and funding requested to fulfill core workload tasks and investment data management opportunities and critical services. This request is a result of the Organization, Systems, and Controls Business priority.	-	290,000	2.0
Investment Operations	OPTD	Technology Management	Positions and funding requested due to significant growth and increased workload. The TMU unit supports and centrally manages INVO's technology assets and projects integral to daily operations, current initiatives and future needs.	-	174,000	2.0
Investment Operations	OPTD	Portfolio Analytics Staffing	Positions and funding requested due to gaps identified in portfolio analytics. Included is the need to focus on daily performance attribution analysis, benchmark performance, management of staff incentive compensation process, valuation and pricing policies and procedures, analyze compliance with Financial Accounting Standards Board (FASB 157), and perform pricing audits.	-	367,000	2.0

FY 2011-12 ANNUAL FORMAL BUDGET REQUESTS RECOMMENDED FOR APPROVAL

Attachment 2.2

Branch	Division	FBR Title	FBR Summary	FY 11-12		
				One-time \$	Ongoing \$	PERM PY
Investment Operations	PBSD	Investment Proposal Tracking System (IPTS) Support	Position and funding requested for Investment Proposal Tracking System support. The system was created to be a formal submission portal and tracking application for the general public to submit investment proposals. This will increase transparency and fairness.	-	114,000	1.0
Investment Operations	PBSD	Policy/Compliance & Partnership Payment Control Staff (Contracts)	Positions and funding requested due to increases in INVO's Spring-Fed pool usage and the passage of Assembly Bill (AB) 1743. AB 1743, enacted In September 2010, requires Placement Agents to register as lobbyists and adhere to ethics rules under the Political Reform Act, requiring new tracking and reporting requirements by INVO.	-	114,000	1.0
Investment Operations	PBSD	Travel & Gift Liaison	Position and funding requested due to the implementation of more stringent Form 700 policies and guidelines, on staff and Board travel filings. The PBSD Division Chief CEA Objective is dedicated to ensuring compliance and minimalizing risk associated with staff travel.	-	89,000	1.0
ITSB	TSSD	Consultant Conversion	Conversion of five consultants to permanent civil service positions. Future savings to the Administrative and CalPERS Headquarters Building Account budgets, as well as lessening the need for consultant contracts in ITSB.	422,250	-	5.0
ITSB	TSSD	Legacy Support Two-Year temporary Staffing	Temporary staff and funding requested to maintain the legacy system concurrently while my CalPERS is being phased in.	2,805,000	-	0.0
Member Services Branch	BNSD	Calculation & Adjustment Unit Staffing	Positions and funding requested are critical to the needs of retirement benefit processing. Increase in retirees, and the new legislation (AB 1651) related to retirement benefits of furloughed state/county/school employees has substantially increased the workload and backlog of the Retirement Benefit Processing and Maintenance unit.	-	317,000	4.0
Office of Enterprise Risk Management	ECOM	Ethics Helpline Monitor Staff	Positions and funding requested to support the Ethics Helpline and Key Personnel Exit Process.	-	89,000	1.0
Office of Enterprise Risk Management	OERM	Risk Intelligence Unit	Positions and funding requested to create a Risk Intelligence Unit for the new Enterprise Risk Management function.	500,000	699,000	4.0
TOTAL ADMINISTRATIVE BUDGET - FBRs				\$ 5,177,450	\$ 4,408,000	36.0
				\$ 9,585,450		

FY 2011-12 ANNUAL FORMAL BUDGET REQUESTS RECOMMENDED FOR APPROVAL

Attachment 2.2

Branch	Division	FBR Title	FBR Summary	FY 11-12		
				One-time \$	Ongoing \$	PERM PY

Enterprise Projects Budget

Enterprise Projects	PSR	Year 8 - Original Project Budget & Recovery Phase	PSR involves replacing the existing legacy Contribution Reporting and Retirement Information and Benefits Systems with a new web-based pension system, and converting the Judicial and Legislative legacy systems.	24,855,000	-	5.0
Enterprise Projects	PSR	Year 8 - Release 2 and 3	The costs proposed here are for resource needs after the initial launch in September 2011. Release 2 is scheduled for February, 2012 and will include Judges Retirement System (JRS), Legislative Retirement System (LRS), and various deferred functions approved by the business units. Release 3 is scheduled for September, 2012 and will include changes identified and prioritized during End-to-End and Customer Acceptance Testing.	18,156,000	-	0.0
TOTAL ENTERPRISE PROJECTS BUDGET - FBRs				\$ 43,011,000	\$ -	5.0

Headquarters Building Account Budget

Building Account	CHBA	Lincoln Plaza, Facility Support & Thomas Diggs / Ramos Buildings		42,611,000	-	0.0
TOTAL HEADQUARTERS BUILDING ACCOUNT BUDGET - FBRs				\$ 42,611,000	\$ -	0.0